

1 AN ACT relating to reports submitted to the Interim Joint Committee on  
2 Appropriations and Revenue.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 15A.065 is amended to read as follows:

- 5 (1) The Department of Juvenile Justice shall be headed by a commissioner and shall  
6 develop and administer programs for:
- 7 (a) Prevention of juvenile crime;
  - 8 (b) Identification of juveniles at risk of becoming status or public offenders and  
9 development of early intervention strategies for these children, and, except for  
10 adjudicated youth, participation in prevention programs shall be voluntary;
  - 11 (c) Providing educational information to law enforcement, prosecution, victims,  
12 defense attorneys, the courts, the educational community, and the public  
13 concerning juvenile crime, its prevention, detection, trial, punishment, and  
14 rehabilitation;
  - 15 (d) The operation of or contracting for the operation of postadjudication treatment  
16 facilities and services for children adjudicated delinquent or found guilty of  
17 public offenses or as youthful offenders;
  - 18 (e) The operation or contracting for the operation, and the encouragement of  
19 operation by others, including local governments, volunteer organizations,  
20 and the private sector, of programs to serve predelinquent and delinquent  
21 youth;
  - 22 (f) Utilizing outcome-based planning and evaluation of programs to ascertain  
23 which programs are most appropriate and effective in promoting the goals of  
24 this section;
  - 25 (g) Conducting research and comparative experiments to find the most effective  
26 means of:
    - 27 1. Preventing delinquent behavior;

- 1           2. Identifying predelinquent youth;
- 2           3. Preventing predelinquent youth from becoming delinquent;
- 3           4. Assessing the needs of predelinquent and delinquent youth;
- 4           5. Providing an effective and efficient program designed to treat and
- 5           correct the behavior of delinquent youth and youthful offenders;
- 6           6. Assessing the success of all programs of the department and those
- 7           operated on behalf of the department and making recommendations for
- 8           new programs, improvements in existing programs, or the modification,
- 9           combination, or elimination of programs as indicated by the assessment
- 10          and the research; and
- 11          (h) Seeking funding from public and private sources for demonstration projects,
- 12          normal operation of programs, and alterations of programs.
- 13       (2) The Department of Juvenile Justice may contract, with or without reimbursement,
- 14          with a city, county, or urban-county government, for the provision of probation,
- 15          diversion, and related services by employees of the contracting local government.
- 16       (3) The Department of Juvenile Justice may contract for the provision of services,
- 17          treatment, or facilities which the department finds in the best interest of any child,
- 18          or for which a similar service, treatment, or facility is either not provided by the
- 19          department or not available because the service or facilities of the department are at
- 20          their operating capacity and unable to accept new commitments. The department
- 21          shall, after consultation with the Finance and Administration Cabinet, promulgate
- 22          administrative regulations to govern at least the following aspects of this
- 23          subsection:
- 24           (a) Bidding process; and
- 25           (b) Emergency acquisition process.
- 26       (4) The Department of Juvenile Justice shall develop programs to:
- 27           (a) Ensure that youth in state-operated or contracted residential treatment

- 1 programs have access to an ombudsman to whom they may report program  
2 problems or concerns;
- 3 (b) Review all treatment programs, state-operated or contracted, for their quality  
4 and effectiveness; and
- 5 (c) Provide mental health services to committed youth according to their needs.
- 6 (5) (a) The Department of Juvenile Justice shall have an advisory board appointed by  
7 the Governor, which shall serve as the advisory group under the Juvenile  
8 Justice and Delinquency Prevention Act of 1974, Pub. L. No. 93-415, as  
9 amended, and which shall provide a formulation of and recommendations for  
10 meeting the requirements of this section not less than annually to the  
11 Governor, the Justice and Public Safety Cabinet, the Department of Juvenile  
12 Justice, the Cabinet for Health and Family Services, and the Interim Joint  
13 Committee~~[Committees]~~ on Judiciary~~[and on Appropriations and Revenue]~~  
14 of the Legislative Research Commission when the General Assembly is not in  
15 session, and the Judiciary Committees~~[and the Appropriations and Revenue~~  
16 ~~Committees]~~ of the House of Representatives and the Senate when the  
17 General Assembly is in session. The advisory board shall develop program  
18 criteria for early juvenile intervention, diversion, and prevention projects,  
19 develop statewide priorities for funding, and make recommendations for  
20 allocation of funds to the Commissioner of the Department of Juvenile  
21 Justice. The advisory board shall review grant applications from local juvenile  
22 delinquency prevention councils and include in its annual report the activities  
23 of the councils. The advisory board shall meet not less than quarterly.
- 24 (b) The advisory board shall be chaired by a private citizen member appointed by  
25 the Governor and shall serve a term of two (2) years and thereafter be elected  
26 by the board. The members of the board shall be appointed to staggered terms  
27 and thereafter to four (4) year terms. The membership of the advisory board

1 shall consist of no fewer than fifteen (15) persons and no more than thirty-  
2 three (33) persons who have training, experience, or special knowledge  
3 concerning the prevention and treatment of juvenile delinquency or the  
4 administration of juvenile justice. A majority of the members shall not be full-  
5 time employees of any federal, state, or local government, and at least one-  
6 fifth (1/5) of the members shall be under the age of twenty-four (24) years at  
7 the time of appointment. On July 15, 2002, any pre-existing appointment of a  
8 member to the Juvenile Justice Advisory Board and the Juvenile Justice  
9 Advisory Committee shall be terminated unless that member has been re-  
10 appointed subsequent to January 1, 2002, in which case that member's  
11 appointment shall continue without interruption. The membership of the board  
12 shall include the following:

- 13 1. Three (3) current or former participants in the juvenile justice system;
- 14 2. An employee of the Department of Juvenile Justice;
- 15 3. An employee of the Cabinet for Health and Family Services;
- 16 4. A person operating alternative detention programs;
- 17 5. An employee of the Department of Education;
- 18 6. An employee of the Department of Public Advocacy;
- 19 7. An employee of the Administrative Office of the Courts;
- 20 8. A representative from a private nonprofit organization with an interest in  
21 youth services;
- 22 9. A representative from a local juvenile delinquency prevention council;
- 23 10. A member of the Circuit Judges Association;
- 24 11. A member of the District Judges Association;
- 25 12. A member of the County Attorneys Association;
- 26 13. A member of the County Judge/Executives Association;
- 27 14. A person from the business community not associated with any other

- 1                   group listed in this paragraph;
- 2           15. A parent not associated with any other group listed in this paragraph;
- 3           16. A youth advocate not associated with any other group listed in this
- 4           paragraph;
- 5           17. A victim of a crime committed by a person under the age of eighteen
- 6           (18) not associated with any other group listed in this paragraph;
- 7           18. A local school district special education administrator not associated
- 8           with any other group listed in this paragraph;
- 9           19. A peace officer not associated with any other group listed in this
- 10          paragraph; and
- 11          20. A college or university professor specializing in law, criminology,
- 12          corrections, psychology, or similar discipline with an interest in juvenile
- 13          corrections programs.
- 14          (c) Failure of any member to attend three (3) meetings within a calendar year
- 15          shall be deemed a resignation from the board. The board chair shall notify the
- 16          Governor of any vacancy and submit recommendations for appointment.
- 17   (6) The Department of Juvenile Justice shall, in cooperation with the Department of
- 18   Public Advocacy, develop a program of legal services for juveniles committed to
- 19   the department who are placed in state-operated residential treatment facilities and
- 20   juveniles in the physical custody of the department who are detained in a state-
- 21   operated detention facility, who have legal claims related to the conditions of their
- 22   confinement involving violations of federal or state statutory or constitutional
- 23   rights. This system may utilize technology to supplement personal contact. The
- 24   Department of Juvenile Justice shall promulgate an administrative regulation to
- 25   govern at least the following aspects of this subsection:
- 26          (a) Facility access;
- 27          (b) Scheduling; and

1 (c) Access to residents' records.

2 (7) The Department of Juvenile Justice may, if space is available and conditioned upon  
3 the department's ability to regain that space as needed, contract with another state or  
4 federal agency to provide services to youth of that agency.

5 ➔Section 2. KRS 18A.2255 is amended to read as follows:

6 ~~[(1)]~~The secretary of the Personnel Cabinet shall submit to the Advisory Committee of  
7 State Health Insurance Subscribers established in KRS 18A.225, at least thirty (30) days  
8 prior to issuing requests for proposals, the health benefit plans that will be submitted to  
9 carriers. The secretary of the Personnel Cabinet shall also provide to employee  
10 organizations who are represented on the Advisory Committee of State Health Insurance  
11 Subscribers information necessary so that the member representing the organization can  
12 fulfill his or her responsibilities under this section. The advisory committee shall submit  
13 in writing to the secretary the committee's approval of the plans or its recommendations  
14 on changes to the plans no later than seven (7) days prior to the issuance of requests for  
15 proposals. The advisory committee shall advise the secretary on:

16 ~~(1)~~~~[(a)]~~ Health insurance benefit options that should be included in the program;

17 ~~(2)~~~~[(b)]~~ Procedures for soliciting bids or requesting proposals for contracts from  
18 carriers for the program;

19 ~~(3)~~~~[(c)]~~ The implementation, maintenance, and administration of the health insurance  
20 benefits under the program; and

21 ~~(4)~~~~[(d)]~~ The development of a uniform prescription drug formulary that contains fair  
22 and reasonable standards and procedures for patient access to medically necessary  
23 alternatives to the formulary and patient choice of higher-cost alternatives to the  
24 formulary, and that ensures that discounts negotiated with drug manufacturers are  
25 passed to the program.

26 ~~[(2)]~~ The secretary of the Personnel Cabinet shall, at the discretion of the co-chairs of the  
27 ~~Interim Joint Committee on Appropriations and Revenue, either submit a written~~

1 ~~report to or testify before the Interim Joint Committee on Appropriations and~~  
 2 ~~Revenue on the state employee health insurance program for the next plan year~~  
 3 ~~prior to the issuance of the requests for proposals.]~~

4 ➔Section 3. KRS 39G.030 is amended to read as follows:

5 **(1)** Each year by November 1, the executive director of the Kentucky Office of  
 6 Homeland Security shall submit a written report to the Governor, the Auditor of  
 7 Public Accounts, the Legislative Research Commission, and the Interim Joint  
 8 Committee on ~~Seniors,~~ Veterans, Military Affairs, and Public Protection. The  
 9 written report shall:

10 **(a)**~~(1)~~ Assess the Commonwealth's preparedness to respond to acts of war or  
 11 terrorism, including nuclear, biological, chemical, electromagnetic pulse,  
 12 agro-, eco-, or cyber-terrorism;

13 **(b)**~~(2)~~ Identify the priority of needs, areas of improvement, and the overall  
 14 progress made with regard to the Commonwealth's preparedness; and

15 **(c)**~~(3)~~ Provide a record of all federal homeland security funding, including  
 16 grants, gathered under KRS 39G.020 since the last annual written report, as  
 17 well as any other relevant homeland security funding information gathered by  
 18 the Kentucky Office of Homeland Security. The record shall identify, at a  
 19 minimum, the specific federal source, the amount, the specific recipient, the  
 20 intended use of the funding, the actual use of the funding, and any unspent  
 21 amount.

22 **(2)**~~(4)~~ The Auditor of Public Accounts shall conduct an examination of revenues and  
 23 expenditures provided under the annual written report and under KRS  
 24 39G.020(2)(c) and, if examination findings warrant, shall conduct audits. No later  
 25 than January 30, the Auditor shall submit all examination and audit reports to the  
 26 Senate Veterans, Military Affairs, and Public Protection Committee and the House  
 27 **Veterans**~~Seniors~~, Military Affairs, and Public **Protection**~~Safety~~ Committee.

- 1 ~~(3)~~~~(5)~~ (a) In addition to the annual report required under subsection (1) of this  
2 section, the executive director of the Office of Homeland Security shall  
3 provide to the Legislative Research Commission and the Interim Joint  
4 Committee on Appropriations and Revenue an annual~~a quarterly~~ report on  
5 the receipt and expenditure of homeland security funds since the previous  
6 ~~quarterly~~ report.
- 7 (b) The report shall identify, at a minimum, the following:
- 8 1. Amount and specific source of any homeland security funds received;
  - 9 2. Specific expenditures by amount, recipient, and intended or actual use;
  - 10 and
  - 11 3. Balance of funds remaining in the account.
- 12 (c) The initial annual~~quarterly~~ report shall be submitted by October 15,  
13 2023~~2006~~, and shall contain the required information on receipts and  
14 expenditures since the passage of the federal Homeland Security Act of 2002,  
15 Pub. L. No. 107-296.
- 16 ➔Section 4. KRS 45.031 is amended to read as follows:
- 17 (1) Any department, board, commission, agency, advisory council, interstate compact,  
18 corporate body, or instrumentality of the Commonwealth of Kentucky applying for  
19 federal funds, aids, loans, or grants shall file a summary notification of the intended  
20 application with the Department for Local Government in accordance with the  
21 existing A-95 procedures.
  - 22 (2) When as a condition to receiving federal funds, the Commonwealth of Kentucky is  
23 required to match the federal funds, a statement shall be filed with the notice of  
24 intent or summary of the application stating:
    - 25 (a) The amount and source of state funds needed for matching purposes;
    - 26 (b) The length of time the matching funds shall be required;
    - 27 (c) The growth of the program;

- 1 (d) How the program will be evaluated;
- 2 (e) What action will be necessary should the federal funds be canceled, curtailed,  
3 or restricted; and
- 4 (f) Any other financial and program management data required by the Finance  
5 and Administration Cabinet or by law.
- 6 (3) Any application for federal funds, aids, loans, or grants which will require state  
7 matching or replacement funds at the time of application or at any time in the  
8 future, must be approved by the secretary of the Finance and Administration  
9 Cabinet, the Legislative Research Commission, and the Chief Justice for their  
10 respective branches of government or their designated agents prior to its filing with  
11 the appropriate federal agency. Any application for federal funds, aids, loans, or  
12 grants which will require state matching or replacement funds at the time of  
13 application or at any time in the future, when funds have not been appropriated for  
14 that express purpose, must be approved by the General Assembly, if in session.  
15 ~~[When the General Assembly is not in session, the application shall be reported to~~  
16 ~~and reviewed by the Interim Joint Committee on Appropriations and Revenue, as~~  
17 ~~provided by KRS 48.500(3).]~~
- 18 (4) When any federal funds, aids, loans, or grants are received by any department,  
19 board, commission or agency of the Commonwealth of Kentucky, a report of the  
20 amount of funds received shall be filed with the Finance and Administration  
21 Cabinet; and this report shall specify the amount of funds which would reimburse  
22 an agency for indirect costs as provided for under OMB Circular A-87.
- 23 (5) The secretary of the Finance and Administration Cabinet may refuse to issue his or  
24 her warrant for the disbursement of any state or federal funds from the State  
25 Treasury as the result of any application which is not approved as provided by this  
26 section, or in regard to which the statement or reports required by this section were  
27 not filed.

1 (6) The secretary of the Finance and Administration Cabinet shall be responsible for  
2 the orderly administration of this section and for issuing the appropriate guidelines  
3 and regulations from each source of fund used.

4 ➔Section 5. KRS 45.241 is amended to read as follows:

5 (1) As used in this section:

6 (a) "Debt" means:

- 7 1. For agencies, a sum certain which has been certified by an agency as  
8 due and owing; and
- 9 2. For local governments, a sum certain which has been certified by a local  
10 government as due and owing, including but not limited to any  
11 delinquent taxes or fees other than delinquent real and personal property  
12 taxes;

13 (b) "Liquidated debt" means:

- 14 1. For agencies, a legal debt for a sum certain which has been certified by  
15 an agency as final due and owing, all appeals and legal actions having  
16 been exhausted;
- 17 2. For local governments, a legal debt for a sum certain which has been  
18 certified by a local government as final due and owing, all appeals and  
19 legal actions having been exhausted, including but not limited to any  
20 delinquent taxes or fees other than delinquent real and personal property  
21 taxes; and
- 22 3. For the Court of Justice, a legal debt including any fine, fee, court costs,  
23 or restitution due the Commonwealth, which have been imposed by a  
24 final sentence of a trial court of the Commonwealth and for which the  
25 time permitted for payment pursuant to the provisions of KRS 534.020  
26 has expired;

27 (c) "Agency" means an organizational unit or administrative body in the

- 1 executive branch of state government, as defined in KRS 12.010;
- 2 (d) "Department" means the Department of Revenue;
- 3 (e) "Court of Justice" means the Administrative Office of the Courts, all courts,  
4 and all clerks of the courts;
- 5 (f) "Forgivable loan agreement" means a loan agreement entered into between an  
6 agency and a borrower that establishes specific conditions, which, if satisfied  
7 by the borrower, allows the agency to forgive a portion or all of the loan;
- 8 (g) "Improper payment" means a payment made to a vendor, provider, or  
9 recipient due to error, fraud, or abuse; and
- 10 (h) "Local government" means any city, county, urban-county government,  
11 consolidated local government, charter county, or unified local government of  
12 the Commonwealth.
- 13 (2) Each agency and the Court of Justice shall develop, maintain, and update in a  
14 timely manner an ongoing inventory of each debt owed to it, including debts due to  
15 improper payments, and shall make every reasonable effort to collect each debt.  
16 Within sixty (60) days after the identification of a debt, each agency shall begin  
17 administrative action to collect the debt.
- 18 (3) The Auditor of Public Accounts shall review each agency's debt identification and  
19 collection procedures as part of the annual audit of state agencies.
- 20 (4) An agency shall not forgive any debt owed to it unless that agency has entered into  
21 a forgivable loan agreement with a borrower, or unless otherwise provided by  
22 statute.
- 23 (5) For those agencies without statutory procedures for collecting debts, the  
24 Department of Revenue shall promulgate administrative regulations in accordance  
25 with KRS Chapter 13A to prescribe standards and procedures with which those  
26 agencies shall comply regarding collection of debts, notices to persons owing debt,  
27 information to be monitored concerning the debts, and an appeals process.

- 1 (6) (a) Each agency and the Court of Justice shall identify all liquidated debts,  
2 including debts due to improper payments, and shall submit a list of those  
3 liquidated debts in the form and manner prescribed by the department to the  
4 department for review. The department shall review the information submitted  
5 by the agencies and the Court of Justice and shall, within ninety (90) days of  
6 receipt of the information, determine whether it would be cost-effective for  
7 the department to further pursue collection of the liquidated debts.
- 8 (b) A local government, after making reasonable efforts to collect its debts, may  
9 by ordinance, resolution, or otherwise pursuant to law, submit a list of its  
10 liquidated debts that have been due and owing for more than ninety (90) days  
11 to the department for review to determine whether it would be cost-effective  
12 for the department to pursue collection of the liquidated debts. The  
13 department shall review the information submitted by a local government and  
14 shall, within ninety (90) days of receipt of the information, determine whether  
15 it would be cost-effective for the department to further pursue collection of  
16 the liquidated debts.
- 17 (c) The department may, after consultation with the agency, Court of Justice, or a  
18 local government, return the liquidated debt to the entity submitting the  
19 liquidated debt if:
- 20 1. The request for review contains insufficient information; or
  - 21 2. The debt is not feasible to collect.
- 22 Any return of a liquidated debt shall be in writing, and shall state why the debt  
23 is being returned.
- 24 (d) The department shall identify in writing to the submitting agency, Court of  
25 Justice, or local government, the liquidated debts it has determined that it can  
26 pursue in a cost-effective manner, and the agency, Court of Justice, or local  
27 government shall officially refer the identified liquidated debts to the

1 department for collection.

2 (e) The agency, Court of Justice, and local government shall retain a complete  
3 record of all liquidated debts referred to the department for collection until the  
4 debt is collected, forgiven, or returned as uncollectible.

5 (f) Each agency, the Court of Justice, and local government shall make  
6 appropriate accounting of any uncollected debt as prescribed by law.

7 (7) (a) If the agency recovers the debt funds prior to referral to the department, the  
8 agency shall retain the collected funds in accordance with its statutory  
9 authority.

10 (b) 1. Upon referral of a liquidated debt to the department, the liquidated debt  
11 shall accrue the following amounts:

12 a. Interest on the total amount of the debt plus legal accruals at the  
13 tax interest rate provided in KRS 131.183, from the time of  
14 referral until paid; and

15 b. A one (1) time twenty-five percent (25%) collection fee on the  
16 total amount of the debt plus legal accruals, as of the time of  
17 referral;

18 unless the interest and collection fee are waived by the department.

19 2. The interest and collection fee shall be in addition to any other costs  
20 accrued prior to the time of referral.

21 3. The department may deduct and retain from the liquidated debt  
22 recovered an amount equal to the lesser of the collection fee or the  
23 actual expenses incurred in the collection of the debt.

24 4. In the case of agencies and the Court of Justice, any funds recovered by  
25 the department after the deduction of the department's cost of collection  
26 expenses may, at the discretion of the secretary of the Finance and  
27 Administration Cabinet, be returned to the agency identifying the

1 liquidated debt or to the Court of Justice for allocation as otherwise  
2 provided by law. If the recovered funds and interest are not returned to  
3 the agency or Court of Justice, the amounts shall be deposited in the  
4 general fund, except for Medicaid benefits funds and funds required by  
5 law to be remitted to a federal agency, which shall be remitted as  
6 required by law.

7 5. In the case of local governments, any funds recovered by the department  
8 after the deduction of the department's cost of collection expenses shall  
9 be returned to the local government referring the liquidated debt, for  
10 allocation as provided by ordinance, resolution, or as otherwise provided  
11 by law.

12 (c) Nothing in this section shall prohibit the department from entering into a  
13 memorandum of agreement with an agency pursuant to KRS 131.130(11), for  
14 collection of debts prior to liquidation. If an agency enters into an agreement  
15 with the department, the agency shall retain funds collected according to the  
16 provisions of the agreement.

17 (d) This section shall not affect any agreement between the department and an  
18 agency entered into under KRS 131.130(11) that is in effect on July 13, 2004,  
19 that provides for the collection of liquidated debts by the department on behalf  
20 of the agency.

21 (e) This section shall not affect the collection of delinquent taxes by sheriffs or  
22 county attorneys under KRS 91A.070 or 134.504.

23 (f) This section shall not affect the collection of performance or reclamation  
24 bonds.

25 (8) Upon receipt of a referred liquidated debt and after its determination that the debt is  
26 feasible and cost-effective to collect, the department shall pursue collection of the  
27 referred debt in accordance with KRS 131.030.

1 (9) By administrative regulation promulgated under KRS Chapter 13A, the department  
2 shall prescribe the electronic format and form of, and the information required in, a  
3 referral.

4 (10) ~~[(a)]~~ The department shall report annually by October 1 to the Interim Joint  
5 Committee on Appropriations and Revenue on the collection of debts,  
6 including debts due to improper payments, referred by agencies and the Court  
7 of Justice. The report shall include the total amount by agency and fund type  
8 of liquidated debt that has been referred to the department; the amount of each  
9 referring agency's liquidated debt, by fund type, that has been collected by the  
10 department; and the total amount of each referring agency's liquidated debt,  
11 by fund type, that the department determined to be cost-ineffective to collect,  
12 including the reasons for the determinations.

13 ~~[(b)] Each cabinet shall report annually by October 1 to the Interim Joint~~  
14 ~~Committee on Appropriations and Revenue on:~~

15 ~~1. The amount of previous fiscal year unliquidated debt by agency,~~  
16 ~~including debts due to improper payments, fund type, category, and age,~~  
17 ~~the latter to be categorized as less than one (1) year, less than five (5)~~  
18 ~~years, less than ten (10) years, and over ten (10) years; and~~

19 ~~2. The amount, by agency, of liquidated debt, including debts due to~~  
20 ~~improper payments, not referred to the department; a summary, by~~  
21 ~~criteria listed in subsection (6)(a) of this section, of reasons the~~  
22 ~~department provided for not requesting referral of those liquidated~~  
23 ~~debts; and a summary of the actions each agency is taking to collect~~  
24 ~~those liquidated debts.~~

25 ~~(c) Beginning on October 1, 2005, the Court of Justice shall report annually by~~  
26 ~~October 1 of each year to the Interim Joint Committee on Appropriations and~~  
27 ~~Revenue the amount of previous fiscal year unliquidated debt by county and~~

1           ~~whether in the Circuit Court or District Court; and fund type and age, the~~  
2           ~~latter categorized as less than one (1) year, less than five (5) years, less than~~  
3           ~~ten (10) years, and over ten (10) years. The first year for which the Court of~~  
4           ~~Justice shall be required to report is the fiscal year beginning on July 1, 2004~~  
5           ~~and ending on June 30, 2005. The Court of Justice shall not be required to~~  
6           ~~report unliquidated debts in existence prior to July 1, 2004.~~

7           ~~(d) The Finance and Administration Cabinet shall report annually by October 1 to~~  
8           ~~the Interim Joint Committee on Appropriations and Revenue on the amount of~~  
9           ~~the General Government Cabinet's unliquidated debt by agency, fund type,~~  
10           ~~and age, the latter categorized as less than one (1) year, less than five (5)~~  
11           ~~years, less than ten (10) years, and over ten (10) years.]~~

12           (11) At the time of submission of a liquidated debt to the department for review, the  
13           referring agency, the Court of Justice, or, where feasible, the local government shall  
14           provide information about the debt to the State Treasurer for the Treasurer's action  
15           under KRS 44.030(1).

16           ➔Section 6. KRS 45.812 is amended to read as follows:

17           (1) Prior to the issuance of the revenue bonds or notes authorized by an appropriation  
18           of the General Assembly, or by or on behalf of any Kentucky school district, the  
19           agency, corporation, or school district authorized to issue the bonds or notes shall  
20           furnish to the Capital Projects and Bond Oversight Committee ~~and the Interim~~  
21           ~~Joint Committee on Appropriations and Revenue],~~ and make available to the public,  
22           a listing of all costs associated, either directly or indirectly, with the issuance of the  
23           revenue bonds or notes. The costs shall be itemized as to amount and name of  
24           payee, and shall include fees or commissions paid to, or anticipated to be paid to,  
25           issuers, underwriters, placement agents and advisors, financial advisors,  
26           remarketing agents, credit enhancers, trustees, accountants, and the counsel of all  
27           these persons, bond counsel, and special tax counsel, and shall include the

1 economic benefits received or anticipated to be received by any other persons from  
2 any source in return for services performed relating to the issuance of the bonds or  
3 notes. Changes in amounts or names of payees or recipients, or additions of  
4 amounts or names of payees or recipients, to the listing furnished and made  
5 available pursuant to this subsection, shall be furnished to the Capital Projects and  
6 Bond Oversight Committee ~~and the Interim Joint Committee on Appropriations~~  
7 ~~and Revenue~~ and made available to the public within three (3) days following the  
8 change.

9 (2) The costs required to be furnished under the provisions of subsection (1) of this  
10 section shall not include the payment of wages or expenses to full-time, permanent  
11 employees of the Commonwealth of Kentucky.

12 ➔Section 7. KRS 45.814 is amended to read as follows:

13 Prior to the issuance of the revenue bonds or notes authorized by a branch budget bill, the  
14 agency authorized to issue the bonds or notes shall furnish to the Capital Projects and  
15 Bond Oversight Committee ~~and the Interim Joint Committee on Appropriations and~~  
16 ~~Revenue~~, and make available to the public, a listing of all costs associated, either  
17 directly or indirectly, with the issuance of the revenue bonds or notes. The costs shall be  
18 itemized as to amount and name of payee, and shall include fees or commissions paid to,  
19 or anticipated to be paid to issuers, underwriters, placement agents and advisors, financial  
20 advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of  
21 all these persons, bond counsel, and special tax counsel, and shall include the economic  
22 benefits received or anticipated to be received by any other persons from any source in  
23 return for services performed relating to the issuance of the bonds or notes. Changes in  
24 amounts or names of payees or recipients, or additions of amounts or names of payees or  
25 recipients, to the listing furnished and made available pursuant to this section shall be  
26 furnished to the Capital Projects and Bond Oversight Committee ~~and the Interim Joint~~  
27 ~~Committee on Appropriations and Revenue~~ and made available to the public within

1 three (3) days following the change.

2 ➔Section 8. KRS 45.816 is amended to read as follows:

3 Prior to the issuance of the revenue bonds or notes, the agency authorized to issue the  
4 bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee ~~and~~  
5 ~~the Interim Joint Committee on Appropriations and Revenue~~, and make available to the  
6 public, a listing of all costs associated, either directly or indirectly, with the issuance of  
7 the revenue bonds or notes. The costs shall be itemized as to amount and name of payee,  
8 and shall include fees or commissions paid to, or anticipated to be paid to, issuers,  
9 underwriters, placement agents and advisors, financial advisors, remarketing agents,  
10 credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel  
11 and special tax counsel, and shall include the economic benefits received or anticipated to  
12 be received by any other persons from any source in return for services performed  
13 relating to the issuance of the bonds or notes. Changes in amounts or names of payees or  
14 recipients, or additions of amounts or names of payees or recipients, to the listing  
15 furnished and made available pursuant to this section, shall be furnished to the Capital  
16 Projects and Bond Oversight Committee and ~~the Interim Joint Committee on~~  
17 ~~Appropriations and Revenue and~~ made available to the public within three (3) days  
18 following the change.

19 ➔Section 9. KRS 56.863 is amended to read as follows:

20 The commission shall have the power and duty to:

- 21 (1) Maintain the records and perform the functions necessary and proper to accomplish  
22 the purposes of KRS 56.860 to 56.869;
- 23 (2) Promulgate administrative regulations relating to KRS 56.860 to 56.869;
- 24 (3) Conduct analysis to determine the impact of fluctuating receipts of revenues on the  
25 budget of the Commonwealth, fluctuating interest rates upon the interest-sensitive  
26 assets and interest-sensitive liabilities of the Commonwealth, and the resulting  
27 change in the net interest margin on the budget of the Commonwealth;

- 1 (4) Develop strategies to mitigate the impact of fluctuating receipts of revenues on the  
2 budget of the Commonwealth and of fluctuating interest rates on the  
3 Commonwealth's interest-sensitive assets and interest-sensitive liabilities;
- 4 (5) Report its findings to the State Investment Commission at least annually to assist  
5 the State Investment Commission in developing and implementing its investment  
6 strategy. The State Investment Commission shall provide the commission with a  
7 copy of its monthly investment income report to aid the commission in developing  
8 and implementing its strategies;
- 9 (6) Issue funding notes, project notes, and tax and revenue anticipation notes or other  
10 obligations on behalf of any state agency to fund authorized projects or to satisfy  
11 judgments;
- 12 (7) Refund any funding notes, project notes, or tax and revenue anticipation notes  
13 issued under KRS 56.860 to 56.869 to achieve economic savings, to better match  
14 receipts with expenditures, or as a part of a continuing finance program;
- 15 (8) Designate individual employees or officers of the Office of Financial Management  
16 within the Office of the Controller as agents for purposes of approving the principal  
17 amount of tax and revenue anticipation notes, the interest rate, the discount,  
18 maturity date, and other relevant terms of tax and revenue anticipation notes,  
19 project notes, and funding notes or refunding notes issued within constraints  
20 established by the commission and to execute agreements, including notes and  
21 financial agreements, for the commission;
- 22 (9) Enter into financial agreements for the purpose of hedging its current or projected  
23 interest-sensitive assets and interest-sensitive liabilities to stabilize the  
24 Commonwealth's net interest margin, as deemed necessary by the commission,  
25 subject to administrative regulations promulgated by the commission that limit the  
26 net exposure of the Commonwealth as a result of these financial agreements;
- 27 (10) Deposit net interest payments and premiums received by the commission under

1 financial agreements into a restricted account, which shall not lapse at the end of  
2 the fiscal year but shall continue to accumulate to act as security for these financial  
3 agreements. This duty is mandatory in nature. Any accumulated funds in excess of  
4 the amount determined by the commission to be necessary to establish this security  
5 may be applied to debt service payments, net interest payments, and premiums and  
6 expenses related to interest-sensitive liabilities; and

7 (11) Report to the Capital Projects and Bond Oversight Committee ~~and the Interim Joint~~  
8 ~~Committee on Appropriations and Revenue~~ on a semiannual basis, by September  
9 30 and March 31 of each year, the following:

- 10 (a) A description of the Commonwealth's investment and debt structure;
- 11 (b) The plan developed to mitigate the impact of fluctuating revenue receipts on  
12 the budget of the Commonwealth and fluctuating interest rates on the interest-  
13 sensitive assets and interest-sensitive liabilities of the Commonwealth,  
14 including an analysis of the impact that a change in the net interest margin  
15 would have on the budget of the Commonwealth. The report due by March 31  
16 of each year shall reflect the strategy for January through June of the fiscal  
17 year, and the report due by September 30 shall reflect the strategy for July  
18 through December of the fiscal year;
- 19 (c) The principal amount of notes issued, redeemed, and outstanding; and a  
20 description of all financial agreements entered into during the reporting  
21 period. The report due by March 31 shall include information about  
22 agreements entered into from July through December of the fiscal year. The  
23 report due by September 30 shall include information about agreements  
24 entered into between January and June of the prior fiscal year; and
- 25 (d) A summary of gains and losses associated with financial agreements and any  
26 other cash flow strategies undertaken by the commission to mitigate the effect  
27 of fluctuating interest rates during each reporting period. The report due by

1           March 31 shall include information about agreements and strategies entered  
2           into or undertaken from July through December of the fiscal year. The report  
3           due by September 30 shall include information about agreements and  
4           strategies entered into or undertaken from January through June of the prior  
5           fiscal year.

6           ➔Section 10. KRS 151.720 is amended to read as follows:

7           The Kentucky River Authority is authorized and empowered to:

- 8           (1) Construct, reconstruct, provide for the major maintenance, or repair the locks and  
9           dams on the Kentucky River and all real and personal property pertaining thereto,  
10           as well as maintain the channel;
- 11           (2) Acquire by purchase, exercise of the rights of eminent domain, grant, gift, devise,  
12           or otherwise, the fee simple title to or any acceptable lesser interest in any real or  
13           personal property and by lease or other conveyance, contract for the right to use and  
14           occupy any real or personal property selected in the discretion of the authority as  
15           constituting necessary, desirable, or acceptable sites to fulfill its statutory authority  
16           and power;
- 17           (3) Lease its real or personal property to other state agencies, political subdivisions of  
18           the Commonwealth, corporations, partnerships, associations, foundations, or  
19           persons as the authority deems necessary to carry out the purposes of this section;
- 20           (4) Sell or otherwise dispose of its real or personal property in accordance with KRS  
21           56.463 and 45A.045;
- 22           (5) Collect water use fees from all facilities using water from the Kentucky River basin,  
23           except those facilities using water primarily for agricultural purposes. Facilities  
24           charged such a fee may pass on all or any part of the fee;
- 25           (6) Issue revenue bonds in accordance with KRS 151.730;
- 26           (7) Employ persons to carry out the authority's responsibilities with revenue from the  
27           water use fees, including an executive director who shall serve at the pleasure of the

- 1 authority;
- 2 (8) Contract for services with other state agencies, political subdivisions of the  
3 Commonwealth, corporations, partnerships, associations, foundations, or persons to  
4 perform its duties;
- 5 (9) Promulgate administrative regulations providing for clean water, which shall not be  
6 less stringent than the state and federal regulations for clean water;
- 7 (10) Exercise all other powers necessary to perform its public purpose to implement and  
8 enforce the plans developed by the authority pursuant to this section and KRS  
9 151.727 and 151.728, and to enforce administrative regulations promulgated by the  
10 authority. The long-range water resource plan and drought response plan shall be  
11 implemented for the basin upon the direction of the authority;
- 12 (11) Develop comprehensive plans for the management of the Kentucky River within  
13 the basin, including a long-range water resource plan and a drought response plan.  
14 Each county within the basin shall develop a long-range water resource plan and  
15 submit it to the authority. The authority, after consultation with the Energy and  
16 Environment Cabinet, shall develop a unified long-range water resource plan for the  
17 basin. The unified long-range water resource plan shall be implemented over short-  
18 range and long-range time periods. The short-range plan shall be for a period of six  
19 (6) years and the long-range plan shall be for a period of twenty (20) years. The  
20 authority shall conduct a public hearing on the plan prior to its adoption and amend  
21 the plan as appropriate based on the comments received. The Energy and  
22 Environment Cabinet shall review the draft unified plan and provide comment  
23 during the public comment period concerning the consistency of the plan with the  
24 state requirements under KRS Chapters 224 and 151. A drought response plan for  
25 the basin shall be developed by the authority and shall be coordinated with the  
26 Energy and Environment Cabinet to assure consistency with KRS Chapters 224 and  
27 151, and this plan shall be implemented for the basin upon the direction of the

- 1 authority;
- 2 (12) Develop and promote a plan for the protection and use of groundwater within the  
3 basin. Administrative regulations may be promulgated implementing the plan, and  
4 these regulations shall not be less stringent than state and federal regulations  
5 protecting groundwater;
- 6 (13) Promote private investment in the installation of hydroelectric generating units on  
7 all existing constructed and reconstructed Kentucky River dams under the  
8 jurisdiction of the authority, by developing a standard lease, establishing reasonable  
9 financial responsibility requirements, verifying that the proposed installation of the  
10 hydroelectric unit will not adversely affect the structural integrity of the dam, and  
11 adopting a schedule of reasonable fees for water used in the generation of  
12 hydroelectric power;
- 13 (14) Develop recreational areas within the basin. These recreational areas may be  
14 operated and funded by the state Department of Parks, Office of Kentucky Nature  
15 Preserves, or other governmental entity as specifically authorized or permitted  
16 within the biennial executive budget. There is hereby created the Kentucky River  
17 Park to be located as determined by the authority;
- 18 (15) Utilize funds provided for recreational purposes within the biennial executive  
19 budget for major or minor maintenance if the authority certifies to the secretary of  
20 the Finance and Administration Cabinet that a significant need exists for the repairs  
21 and no other funds are available for the maintenance;
- 22 (16) Coordinate the Kentucky River basin water resources activities among state  
23 agencies;
- 24 ~~(17) Report quarterly on all of its activities to the legislative Committee on~~  
25 ~~Appropriations and Revenue;~~
- 26 ~~(18)~~ Receive reports from state agencies on litigation concerning the Kentucky River,  
27 which agencies are hereby directed to report to the authority;

1 ~~(18)~~~~(19)~~ Credit to the authority any income derived from the interest earned on the  
2 investment of the water use fees collected, which shall be available for the  
3 authority's expenditure; and

4 ~~(19)~~~~(20)~~ Accomplish the watershed management mission of the authority, which is to  
5 fulfill the provisions of this section for the Kentucky River basin, the boundary of  
6 which shall be defined by a hydrologic map promulgated in an administrative  
7 regulation.

8 ➔Section 11. KRS 151.728 is amended to read as follows:

9 (1) Beginning with the 2000-2002 biennium and each biennium thereafter, the  
10 authority shall submit to the General Assembly a six (6) year program of  
11 preconstruction and construction activities to maintain or increase water available  
12 within the Kentucky River. The program shall include a two (2) year construction  
13 component that shall be implemented as authorized by the General Assembly in the  
14 authority's biennial budget and a four (4) year preconstruction component that shall  
15 advise the General Assembly of the consistency of ongoing and long-term planning  
16 with the construction activities funded by the General Assembly.

17 (2) The program shall be developed by considering, at a minimum, the following  
18 factors:

- 19 (a) The population to be served by the available water;
- 20 (b) The social, economic, and environmental impact of program elements;
- 21 (c) The condition of existing facilities critical to water availability;
- 22 (d) The cost of maintaining, improving, replacing, or removing facilities; and
- 23 (e) The dependence of communities within the river basin on specific Kentucky  
24 River dam pools or other sources of water.

25 (3) The program shall include a four (4) year planning document setting out  
26 preconstruction activities that include planning and design and an environmental  
27 analysis of projects to maintain or increase water available within the Kentucky

1 River and geotechnical and stability evaluations of the Kentucky River locks and  
2 dams.

3 (4) The authority shall provide to the General Assembly a long-range planning  
4 document consisting of twenty (20) years for water supply projects being  
5 considered by the authority.

6 (5) The authority shall be responsible for the execution of each six (6) year program as  
7 approved and authorized in the budget by the General Assembly ~~and shall report~~  
8 ~~any anticipated deviations from the authorized construction funding or~~  
9 ~~preconstruction program to the Interim Joint Committee on Appropriations and~~  
10 ~~Revenue~~.

11 ➔Section 12. KRS 154.80-140 is amended to read as follows:

12 (1) There is created the riverport marketing assistance trust fund, to be administered by  
13 the Cabinet for Economic Development.

14 (2) The riverport marketing assistance trust fund may receive appropriations, federal  
15 funds, contributions, gifts, and donations.

16 (3) The purpose of the riverport marketing assistance trust fund shall be to promote and  
17 market Kentucky's riverport to industrial, business, and commercial prospects, to  
18 attract economic development. To the extent funds are available, the fund shall  
19 make grants to riverport authorities for marketing activities, including research,  
20 advertising, participation in trade shows, and preparation of promotional materials.  
21 Grants shall not be used for activities such as salaries, administrative expenses, or  
22 internal newsletters.

23 (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal  
24 year shall not lapse but shall carry forward into the succeeding fiscal year. Interest  
25 earned on any moneys in the fund shall accrue to the fund. Amounts from the fund  
26 shall be disbursed and expended in accordance with this section.

27 (5) Grants under this section shall not exceed fifteen thousand dollars (\$15,000) per

1 project or thirty thousand dollars (\$30,000) per applicant each year. Projects shall  
2 be completed within one (1) year of funding. To receive a grant, an applicant shall  
3 provide at least a fifty percent (50%) match, which may be obtained from any  
4 public or private source.

5 (6) (a) Grants shall be reviewed and awarded semiannually.

6 (b) The Cabinet for Economic Development shall submit all applications to the  
7 Water Transportation Advisory Board established by KRS 174.200 for  
8 evaluation and recommendations prior to awarding any grant funding under  
9 this section.

10 (c) Higher priority shall be given to applications with a larger share of match  
11 money, for those where the match money has already been obtained, and for  
12 projects with a detailed riverport marketing plan.

13 (7) The Cabinet for Economic Development shall on a semiannual basis submit a report  
14 detailing all grants awarded under this section to the Water Transportation Advisory  
15 Board and the Interim Joint Committee on Transportation, ~~and the Interim Joint~~  
16 ~~Committee on Appropriations and Revenue~~.

17 ➔Section 13. KRS 171.027 is amended to read as follows:

18 There is established a public library facilities construction fund to assist local libraries  
19 with debt service payments for new library facilities and library improvements. The  
20 Department for Libraries and Archives is authorized to enter into long-term written  
21 memoranda of agreement with local libraries or other governing bodies to assist in debt  
22 service payments relating to library construction or renovation projects. The agreements  
23 shall specify the rights, duties, and obligations of both the local public library, or other  
24 governing body, and the department. The department shall promulgate administrative  
25 regulations to establish the application process, criteria for selecting projects for  
26 assistance, a minimum level of local participation, and the process to be followed in the  
27 construction of facilities. ~~The department shall report assistance awards to the Interim~~

1 ~~Joint Committee on Appropriations and Revenue within thirty (30) days of execution of~~  
2 ~~any memorandum of agreement.]~~

3       ➔Section 14. KRS 174.210 is amended to read as follows:

- 4       (1) There is created a riverport financial assistance trust fund, to be administered by the  
5       Transportation Cabinet.
- 6       (2) The riverport financial assistance trust fund may receive appropriations, federal  
7       funds, contributions, gifts, and donations.
- 8       (3) The purpose of the riverport financial assistance trust fund shall be to improve  
9       riverport facilities and infrastructure, to capture the economic and trade potential  
10       offered by water transportation. To the extent funds are available, the fund shall  
11       make grants to riverport authorities for new construction and major replacement or  
12       repair projects, including but not limited to improvement of docks, wharves,  
13       equipment, port buildings, storage facilities, roads and railroads to facilitate the  
14       flow of commerce through the port, other on-site improvements, and related  
15       professional services. Eligible projects shall not include routine operations,  
16       maintenance, or repair activities.
- 17       (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal  
18       year shall not lapse but shall carry forward into the succeeding fiscal year. Interest  
19       earned on any moneys in the fund shall accrue to the fund. Amounts from the fund  
20       shall be disbursed and expended in accordance with this section.
- 21       (5) To be eligible for a grant under this section, the applicant shall provide at least a  
22       twenty percent (20%) match, which may be obtained from any public or private  
23       source.
- 24       (6) (a) Grant applications shall be reviewed and awarded annually.
- 25       (b) The Transportation Cabinet shall submit all applications to the Water  
26       Transportation Advisory Board established by KRS 174.200 for evaluation  
27       and recommendations prior to awarding any grant funding under this section.

1 (c) Priority shall be given to applicants with a riverport master plan, for capital-  
2 intensive projects for which permits have been obtained, and for projects for  
3 which matching funds have been obtained.

4 (7) The Transportation Cabinet shall submit on an annual basis a report detailing all  
5 grants awarded under this section to the Water Transportation Advisory Board  
6 and~~[,] the Interim Joint Committee on Transportation[, and the Interim Joint~~  
7 ~~Committee on Appropriations and Revenue].~~

8 ➔Section 15. KRS 198A.090 is amended to read as follows:

9 (1) Except as provided in subsection (6) of this section, the corporation may provide for  
10 the issuance, at one (1) time or from time to time, of bonds of the corporation if the  
11 cumulative outstanding indebtedness of the corporation's bonds does not exceed  
12 five billion dollars (\$5,000,000,000), in order to carry out and effectuate its  
13 corporate purposes and powers.

14 (2) In anticipation of the issuance of bonds, the corporation may provide for the  
15 issuance, at one (1) time or from time to time, of bond anticipation notes. The  
16 principal of and the interest on the bonds or notes shall be payable solely from the  
17 funds provided for the payment. Notes may be made payable from the proceeds of  
18 bonds or renewal notes or, if bond or renewal note proceeds are not available, notes  
19 may be paid from any available revenues or assets of the corporation.

20 (3) The bonds or notes of each issue shall be dated and may be made redeemable  
21 before maturity at the option of the corporation at a price and under terms and  
22 conditions determined by the corporation. Bonds or notes shall bear interest at a rate  
23 determined by the corporation. Notes shall mature at a time not exceeding ten (10)  
24 years from their date and bonds shall mature at a time not exceeding forty (40)  
25 years from their date, as determined by the corporation. The corporation shall  
26 determine the form and manner of execution of the bonds or notes, including any  
27 interest coupons to be attached thereto, and shall fix the denomination and the place

1 of payment of principal and interest, which may be any bank or trust company  
2 within or without the Commonwealth. If an officer whose signature or a facsimile  
3 of whose signature appears on any bonds, notes, or coupons attached to them shall  
4 cease to be an officer before the delivery thereof, the signature or facsimile shall be  
5 valid and sufficient for all purposes as if he or she had remained in office until  
6 delivery. The corporation may provide for the authentication of the bonds or notes  
7 by a trustee or fiscal agent. The bonds or notes may be issued in coupon or in  
8 registered form, or both, as the corporation may determine, and provision may be  
9 made for the registration of any coupon bonds or notes as to principal alone and  
10 also as to both principal and interest, and for the reconversion into coupon bonds or  
11 notes of any bonds or notes registered as to both principal and interest, and for the  
12 interchange of registered and coupon bonds or notes. Upon the approval of a  
13 resolution of the corporation, authorizing the sale of its bonds or notes, the bonds or  
14 notes may be sold in a manner, either at public or private sale, and for a price the  
15 corporation shall determine to be for the best interest of the corporation and best  
16 effectuate the purposes of this chapter, if the sale is approved by the corporation.

17 (4) The proceeds of any bonds or notes shall be used solely for the purposes for which  
18 they are issued and shall be disbursed in the manner and under the restrictions, if  
19 any, the corporation may provide in the resolution authorizing the issuance of bonds  
20 or notes or in the trust agreement securing the same.

21 (5) Prior to the preparation of definitive bonds, the corporation may, under like  
22 restrictions, issue interim receipts or temporary bonds, with or without coupons,  
23 exchangeable for definitive bonds when the bonds have been executed and are  
24 available for delivery. The corporation may also provide for the replacement of any  
25 bonds or notes which become mutilated, destroyed, or lost.

26 (6) (a) Prior to the issuance of any bonds or notes that are not secured by:

27 1. Direct obligations or obligations guaranteed by the United States of

- 1                   America; or
- 2                   2.   Obligations of federal agencies to the extent that the obligations are
- 3                   backed by the full faith and credit of the United States of America; or
- 4                   3.   Repurchase agreements with any primary dealer in securities fully
- 5                   secured by obligations described in subparagraphs 1. and 2. of this
- 6                   paragraph if the market value of the security is maintained at one
- 7                   hundred three percent (103%) of the principal amount of the repurchase
- 8                   agreement and the security is held by an independent third-party
- 9                   custodian financial institution; or
- 10                  4.   Insured or guaranteed construction loans or mortgage loans as defined
- 11                  by KRS 198A.010(10) and (11); or
- 12                  5.   Guaranty insurance policies which guarantee payment of the principal
- 13                  and interest on the bonds issued by a nationally recognized entity
- 14                  authorized to issue guarantees and rated in the highest rating category by
- 15                  at least one (1) of the nationally recognized rating services;

16                  the corporation shall obtain the approval of the issuance from the General

17                  Assembly in accordance with the provisions of KRS 56.870(1), unless the

18                  provisions of paragraph (b) of this subsection apply. This requirement shall

19                  not apply to refunding bond or note issues which are for the purpose of

20                  achieving debt service savings and which do not extend the term of the

21                  refunded bonds or notes.

- 22                  (b) The corporation may provide for the issuance, at any one (1) time or from
- 23                  time to time, of bonds which do not satisfy the requirements of paragraph (a)
- 24                  of this subsection without approval of the issuance by the General Assembly
- 25                  if the cumulative outstanding indebtedness of the corporation that does not
- 26                  meet the requirements of paragraph (a) of this subsection does not exceed
- 27                  thirty million dollars (\$30,000,000).

1       ~~[(c) The corporation shall annually report on its housing and bonding programs to~~  
2           ~~the Interim Joint Committee on Appropriations and Revenue.]~~

3       (7) The Finance and Administration Cabinet shall provide to the corporation fiscal  
4       consultant services regarding revenue bond management as necessary.

5       ➔Section 16. KRS 214.544 is amended to read as follows:

6       (1) A Colon Cancer Screening and Prevention Advisory Committee shall be  
7       established. The advisory committee shall include:

8           (a) One (1) member of the House of Representatives who shall be appointed by  
9           the Speaker of the House;

10          (b) One (1) member of the Senate who shall be appointed by the President of the  
11          Senate;

12          (c) The deputy commissioner of the Department for Public Health;

13          (d) The commissioner of the Department of Insurance, or his or her designee;

14          (e) The commissioner of the Department for Medicaid Services, or his or her  
15          designee;

16          (f) Two (2) at-large members who shall be appointed by the Governor;

17          (g) One (1) member who shall be appointed by the Governor from a list of three  
18          (3) names provided by the American Cancer Society;

19          (h) The director of the Kentucky Cancer Program at the University of Kentucky;

20          (i) The director of the Kentucky Cancer Program at the University of Louisville;

21          (j) The director of the Kentucky Cancer Registry;

22          (k) The director of the Colon Cancer Prevention Project;

23          (l) The chair of Kentucky African Americans Against Cancer; and

24          (m) The director of the Kentucky Cancer Consortium.

25       Members of the advisory committee shall be appointed for a term of four (4) years.

26       (2) (a) Members appointed under subsection (1)(a) to (g) of this section shall be  
27       appointed as follows:

- 1           1. Members shall be appointed for a term of four (4) years, except as  
2           provided in subparagraph 2. of this paragraph;
  - 3           2. The initial appointments shall be for a period of two (2) years;  
4           thereafter, the appointments shall be for a term of four (4) years; and
  - 5           3. Members shall not serve more than two (2) terms of four (4) years.
- 6           (b) Members serving under subsection (1)(h) to (m) of this section shall serve by  
7           virtue of their positions and shall not be subject to term limits.
- 8           (3) The chair of the advisory committee shall be elected from the membership of the  
9           advisory committee to serve for a two (2) year term. A member of the advisory  
10          committee may designate an alternate to attend meetings in his or her place.
- 11          (4) The advisory committee may add members from other organizations as deemed  
12          appropriate.
- 13          (5) The advisory committee shall provide recommendations for the overall  
14          implementation and conduct of the Colon Cancer Screening and Prevention  
15          Program.
- 16          (6) The advisory committee shall establish and provide oversight for a colon cancer  
17          screening public awareness campaign. The Cabinet for Health and Family Services  
18          shall contract with the Kentucky Cancer Consortium at the University of Kentucky  
19          to provide the required support. The amount of the contract shall not be included in  
20          the base budget of the university as used by the Council on Postsecondary  
21          Education in determining the funding formula for the university.
- 22          (7) The Colon Cancer Screening and Prevention Advisory Committee shall provide an  
23          annual report on implementation and outcomes from the Colon Cancer Screening  
24          and Prevention Program and recommendations to the Legislative Research  
25          Commission, the Interim Joint Committee on Health, Welfare, and Family Services,  
26          ~~[the Interim Joint Committee on Appropriations and Revenue,]~~ the Governor, the  
27          secretary of the Cabinet for Health and Family Services, and the commissioner of

1 the Department for Public Health.

2 (8) The Kentucky Cancer Program, jointly administered by the University of Kentucky  
3 and the University of Louisville, shall establish a colon cancer screening, education,  
4 and outreach program in each of the state area development districts. The colon  
5 cancer screening, education, and outreach program shall focus on individuals who  
6 lack access to colon cancer screening. The Cabinet for Health and Family Services  
7 shall contract with the University of Louisville and the University of Kentucky to  
8 provide the required support. The amount of the contract shall not be included in  
9 the base budgets of the universities as used by the Council on Postsecondary  
10 Education in determining the funding formula for the universities.

11 ➔Section 17. KRS 214.556 is amended to read as follows:

12 (1) There is hereby established within the Kentucky cancer program the Kentucky  
13 Cancer Registry and the cancer patient data management system for the purpose of  
14 providing accurate and up-to-date information about cancer in Kentucky and  
15 facilitating the evaluation and improvement of cancer prevention, screening,  
16 diagnosis, therapy, rehabilitation, and community care activities for citizens of the  
17 Commonwealth. The cancer patient data management system shall be administered  
18 by the Lucille Parker Markey Cancer Center.

19 (2) Each licensed health facility which provides diagnostic services, or diagnostic  
20 services and treatment, or treatment to cancer patients shall report to the Kentucky  
21 Cancer Registry, through the cancer patient data management system and in a  
22 format prescribed by the Kentucky Cancer Registry, each case of cancer seen at that  
23 health facility. Failure to comply may be cause for assessment of an administrative  
24 fine for the health facility, the same as for violation of KRS 216B.250.

25 (3) Each health facility shall grant to the cancer registry access to all records which  
26 would identify cases of cancer or would establish characteristics of the cancer,  
27 treatment of the cancer, or status of any identified cancer patient. Hospitals actively

1 participating and enrolled in the cancer patient data management system of the  
2 Kentucky Cancer Program as of July 13, 1990, shall be considered to be in  
3 compliance with this section. The Lucille Parker Markey Cancer Center shall  
4 provide staff assistance in compiling and reporting required information to hospitals  
5 which treat a low volume of patients.

6 (4) No liability of any kind or character for damages or other relief shall arise or be  
7 enforced against any licensed health facility by reason of having provided the  
8 information or material to the Kentucky Cancer Registry pursuant to the  
9 requirements of this section.

10 (5) The identity of any person whose condition or treatment has been reported to the  
11 Kentucky Cancer Registry shall be confidential, except that:

12 (a) The Kentucky Cancer Registry may exchange patient-specific data with any  
13 other cancer control agency or clinical facility for the purpose of obtaining  
14 information necessary to complete a case record, but the agency or clinical  
15 facility shall not further disclose such personal data; and

16 (b) The Kentucky Cancer Registry may contact individual patients if necessary to  
17 obtain follow-up information which is not available from the health facility.

18 (6) All information, interviews, reports, statements, memoranda, or other data furnished  
19 by reason of this section, expressly including all portions, subsets, extracts, or  
20 compilations of the data as well as any findings or conclusions resulting from those  
21 studies, shall be privileged and shall not be considered public records under KRS  
22 61.870 to 61.884. The Kentucky Cancer Registry may determine that certain  
23 extracts, subsets, or compilations of data do not reveal privileged information and  
24 may be published or otherwise shared to further the public health goals set forth  
25 herein.

26 (7) The Kentucky Cancer Registry shall make periodic reports of its data and any  
27 related findings and recommendations to the Legislative Research Commission, the

1 Interim Joint ~~Committee~~~~[Committees on Appropriations and Revenue and]~~ on  
2 Health,~~[and]~~ Welfare, and Family Services, the Governor, the Cabinet for Health  
3 and Family Services, the reporting health facility, and other appropriate  
4 governmental and nongovernmental cancer control agencies whose intent it is to  
5 reduce the incidence, morbidity, and mortality of cancer. The Kentucky Cancer  
6 Registry may conduct analyses and studies as are indicated to advance cancer  
7 control in the Commonwealth, either directly or by confidentially sharing data with  
8 third parties.

9 ➔Section 18. KRS 216.2929 is amended to read as follows:

- 10 (1) (a) The Cabinet for Health and Family Services shall make available on its  
11 website~~[Web site]~~ information on charges for health-care services at least  
12 annually in understandable language with sufficient explanation to allow  
13 consumers to draw meaningful comparisons between every hospital and  
14 ambulatory facility, differentiated by payor if relevant, and for other provider  
15 groups as relevant data becomes available.
- 16 (b) Any charge information compiled and reported by the cabinet shall include  
17 the median charge and other percentiles to describe the typical charges for all  
18 of the patients treated by a provider and the total number of patients  
19 represented by all charges, and shall be risk-adjusted.
- 20 (c) The report shall clearly identify the sources of data used in the report and  
21 explain limitations of the data and why differences between provider charges  
22 may be misleading. Every provider that is specifically identified in any report  
23 shall be given thirty (30) days to verify the accuracy of its data prior to public  
24 release and shall be afforded the opportunity to submit comments on its data  
25 that shall be included on the website~~[Web site]~~ and as part of any printed  
26 report of the data.
- 27 (d) The cabinet shall only provide linkages to organizations that publicly report

1 comparative-charge data for Kentucky providers using data for all patients  
2 treated regardless of payor source, which may be adjusted for outliers, is risk-  
3 adjusted, and meets the requirements of paragraph (c) of this subsection.

4 (2) (a) The cabinet shall make information available on its website~~[Web site]~~ at least  
5 annually describing quality and outcome measures in understandable language  
6 with sufficient explanations to allow consumers to draw meaningful  
7 comparisons between every hospital and ambulatory facility in the  
8 Commonwealth and other provider groups as relevant data becomes available.

9 (b) 1. The cabinet shall utilize only national quality indicators that have been  
10 endorsed and adopted by the Agency for Healthcare Research and  
11 Quality, the National Quality Forum, or the Centers for Medicare and  
12 Medicaid Services; or

13 2. The cabinet shall provide linkages only to the following organizations  
14 that publicly report quality and outcome measures on Kentucky  
15 providers:

16 a. The Centers for Medicare and Medicaid Services;

17 b. The Agency for Healthcare Research and Quality;

18 c. The Joint Commission; and

19 d. Other organizations that publicly report relevant outcome data for  
20 Kentucky providers.

21 (c) The cabinet shall utilize or refer the general public to only those nationally  
22 endorsed quality indicators that are based upon current scientific evidence or  
23 relevant national professional consensus and have definitions and calculation  
24 methods openly available to the general public at no charge.

25 (3) Any report the cabinet disseminates or refers the public to shall:

26 (a) Not include data for a provider whose caseload of patients is insufficient to  
27 make the data a reliable indicator of the provider's performance;

- 1 (b) Meet the requirements of subsection (1)(c) of this section;
- 2 (c) Clearly identify the sources of data used in the report and explain the
- 3 analytical methods used in preparing the data included in the report; and
- 4 (d) Explain any limitations of the data and how the data should be used by
- 5 consumers.

6 (4) The cabinet shall report at least biennially, no later than October 1 of each odd-

7 numbered year, on the special health needs of the minority population in the

8 Commonwealth as compared to the population in the Commonwealth as compared

9 to the population at large. The report shall contain an overview of the health status

10 of minority Kentuckians, shall identify the diseases and conditions experienced at

11 disproportionate mortality and morbidity rates within the minority population, and

12 shall make recommendations to meet the identified health needs of the minority

13 population.

14 (5) The report required under subsection (4) of this section shall be submitted to the

15 Interim Joint Committee~~[Committees]~~ on ~~[Appropriations and Revenue and~~

16 ~~]Health, [and] Welfare, and Family Services~~ and to the Governor.

17 ➔Section 19. KRS 224.10-230 is amended to read as follows:

18 (1) The cabinet shall implement a time and accounting system to reasonably and

19 accurately document its actual costs.

20 ~~(2) [The cabinet shall submit documentation of its costs to the Interim Joint~~

21 ~~Appropriations and Revenue Committee prior to the cabinet's submittal of its~~

22 ~~biennial budget request.~~

23 ~~(3) [The cabinet may promulgate regulations amending the fees set forth in KRS~~

24 ~~224.20-050, 224.46-012 to 224.46-018, and 224.70-120. The fees established in the~~

25 ~~promulgated regulations shall be based on the cabinet's actual costs.~~

26 ➔Section 20. KRS 342.1223 is amended to read as follows:

27 (1) The Kentucky Workers' Compensation Funding Commission is created as an

1 agency of the Commonwealth for the public purpose of controlling, investing, and  
2 managing the funds collected pursuant to KRS 342.122.

3 (2) The commission shall:

4 (a) Hold, administer, invest, and reinvest the funds collected pursuant to KRS  
5 342.122 and its other funds separate and apart from all "state funds" or "public  
6 funds," as defined in KRS Chapter 446;

7 (b) Act as a fiduciary, as defined in KRS Chapter 386, in exercising its power  
8 over the funds collected pursuant to KRS 342.122, and may invest association  
9 funds through one (1) or more banks, trust companies, or other financial  
10 institutions with offices in Kentucky in good standing with the Department of  
11 Financial Institutions, in investments described in KRS Chapter 386, except  
12 that the funding commission may, at its discretion, invest in equity securities;

13 (c) Report to the General Assembly at each even-numbered-year regular session  
14 the actuarial soundness and adequacy of the funding mechanism for the  
15 special fund and other programs supported by the mechanism, including  
16 detailed information on the investment of funds and yields thereon;

17 (d) Recommend to the General Assembly, not later than October 31 of the year  
18 prior to each even-numbered-year regular legislative session, changes deemed  
19 necessary in the level of the assessments imposed in this chapter;

20 (e) In conjunction with the Education and Labor Cabinet, submit to the General  
21 Assembly, not later than October 31 of the year prior to each even-numbered-  
22 year regular legislative session, a proposed budget for the biennium beginning  
23 July 1 following the even-numbered-year regular session of the General  
24 Assembly;

25 (f) ~~In conjunction with the Education and Labor Cabinet, provide to the Interim~~  
26 ~~Joint Committee on Appropriations and Revenue an annual budget and~~  
27 ~~detailed quarterly financial reports;~~

1       ~~(g)~~ Conduct periodic audits, independently or in cooperation with the Education  
2                   and Labor Cabinet or the Department of Revenue, of all entities subject to the  
3                   assessments imposed in this chapter; and

4       ~~(g)(h)~~ Report monthly to the Committee~~[Committees on Appropriations and~~  
5                   ~~Revenue and]~~ on Economic Development and Workforce Investment its  
6                   monthly expenditures of restricted agency funds and the nature of the  
7                   expenditures.

8       (3) The commission shall have all of the powers necessary or convenient to carry out  
9                   and effectuate the purposes for which it was established, including, but not limited  
10                  to, the power:

11               (a) To sue and be sued, complain, or defend, in its name;

12               (b) To elect, appoint, or hire officers, agents, and employees, and define their  
13                   duties and fix their compensation within the limits of its budget approved by  
14                   the General Assembly. Notwithstanding any provision of KRS Chapter 18A  
15                   to the contrary, officers and employees of the funding commission may be  
16                   exempted from the classified service;

17               (c) To contract for investment counseling, legal, actuarial, auditing, and other  
18                   professional services in accordance with the provisions relating to personal  
19                   service contracts contained in KRS Chapter 45A;

20               (d) To appoint, hire, and contract with banks, trust companies, and other entities  
21                   to serve as depositories and custodians of its investment receipts and other  
22                   funds;

23               (e) To take any and all other actions consistent with the purposes of the  
24                   commission and the provisions of this chapter; and

25               (f) To make and promulgate administrative regulations.

26       (4) The Kentucky Workers' Compensation Funding Commission may utilize the  
27                   investment expertise and advice of the Office of Financial Management within the

1 Finance and Administration Cabinet. The Kentucky Workers' Compensation  
2 Funding Commission may procure one (1) or more consulting firms and enter into a  
3 personal service contract with such consulting firms to provide investment  
4 advisory, investment counseling, or investment management services. The Office of  
5 Financial Management shall participate in the selection of any firms for investment  
6 services provided, however, the Kentucky Workers' Compensation Funding  
7 Commission shall have the right to make the final decision on the selection of any  
8 firms. Notwithstanding any provisions of this section to the contrary, all contracts  
9 for investment advisory, investment counseling, or investment management  
10 services or for the management of assets shall be subject to KRS Chapter 45A. The  
11 fees charged by financial institutions for managing the investments of the funds of  
12 the funding commission shall be paid from the investment earnings of the funds.

13 (5) The commission shall be attached to the Education and Labor Cabinet for  
14 administrative purposes only.

15 ➔Section 21. KRS 342.765 is amended to read as follows:

16 (1) Notwithstanding the provisions of KRS Chapter 342 to the contrary, the office of  
17 the Attorney General shall be responsible for the administration of the uninsured  
18 employers' fund and shall be charged with the conservation of the assets of the  
19 fund. Funds to reimburse the Attorney General's office for expenses incurred in  
20 litigation and administration in defense of the uninsured employers' fund shall be  
21 transferred upon request of the Attorney General's office and approval by the  
22 secretary of the Education and Labor Cabinet.

23 (2) The office of the Attorney General shall report monthly to ~~the Interim Joint~~  
24 ~~Committee on Appropriations and Revenue,~~ the Interim Joint Committee on  
25 Economic Development and Workforce Investment~~[,]~~ and the commissioner the  
26 amount of the agency fund expenditures in each month for the uninsured employers'  
27 fund and the nature of these expenditures. In addition, the Office of the Attorney

1           General shall report quarterly to the commissioner on the amount of funds recouped  
2           from uninsured employers.

3           ➔Section 22. KRS 353.776 is amended to read as follows:

4           By January 1 each year, the authority shall make an annual report of its activities for the  
5           preceding fiscal year to the Office of the State Budget Director~~and to the Interim Joint~~  
6           ~~Committee on Appropriations and Revenue~~. Each such report shall set forth a complete  
7           operating and financial statement covering its operations during the year. The authority  
8           shall provide for an audit of its books and accounts to be made within ninety (90) days  
9           after the close of each fiscal year by certified public accountants and the cost thereof may  
10          be treated as a part of the cost of construction of the project. Audits under this section  
11          shall be public records within the meaning of KRS 61.870 to 61.884.

12          ➔Section 23. The following KRS sections are repealed:

13          342.231 Monthly reports.

14          176.5066 Revenues relating to motorcycle safety education program fund -- Report.